

**Submission  
No 37**

## **DOWNSTREAM GAS SUPPLY AND AVAILABILITY IN NSW**

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**Date Received:** 20/06/2013

## **Inquiry into downstream gas supply and availability in NSW by the Legislative Assembly's Committee for State and Regional Development**

*The Committee has determined to inquire into and report on downstream gas supply and availability in NSW, and in particular:*

- (a) the adequacy of transmission pipeline systems and distribution networks for future downstream gas needs and supply challenges;*
- (b) barriers to the expansion of downstream gas supply and distribution networks;*
- (c) the effectiveness of competition in the downstream gas market and consumer pricing implications;*
- (d) the effectiveness of existing protections for consumers and measures to facilitate access to gas connection and supply; and*
- (e) possible measures to encourage gas network operators to extend existing distribution networks, including financial incentives of licence obligations, particularly in regional centres that do not have access to reticulated gas.*

Eurobodalla Shire Council offers the following contribution on behalf of the businesses and organisations in the shire.

### **CURRENT SITUATION IN EUROBODALLA**

The Eurobodalla Shire is located on the South Coast of New South Wales, bordered by Bega Valley Shire to the south and Shoalhaven Shire to the north. The Shire stretches west to the mountain ranges that separate Eurobodalla from the Australian Capital Territory and Snowy Mountain region councils of Palerang and Cooma-Monaro. Together with the Bega Valley and Shoalhaven councils, the Eurobodalla forms part of the Far South Coast Region for the purposes of regional planning and the Regional Development Australia (RDA) program.

The northern area centres on the Shire's largest commercial centre, Batemans Bay. Batemans Bay is identified as an important regional centre in the South Coast Regional Strategy. This area includes the Batemans Bay industrial area, the Surf Beach employment lands and a number of neighbourhood centres, including Batehaven, Malua Bay, Surf Beach and Mogo. Central Eurobodalla is based around the major town of Moruya, the main administration centre of the Eurobodalla and includes the Moruya industrial areas and the Moruya Regional Airport. South Eurobodalla centres on the major town of Narooma, a key tourist destination and includes the Narooma and Dalmeny industrial areas .

Eurobodalla has a current permanent resident population of approximately 39,000 people in an area extending 110kms between the towns of Central Tilba to the South and South Durras to the North. The permanent resident population is projected to grow to 50,000 by 2024 being double the state growth.

A recent National Seachange Taskforce report shows that Eurobodalla’s average population, including non-residents, visitors who stay with friends and family, and day trippers, averages almost 50,000 on any one day. This is approximately 13,000 more than identified in the 2011 census. Due to the Eurobodalla being a popular holiday destination, the population can swell to 120,000 during peak periods.

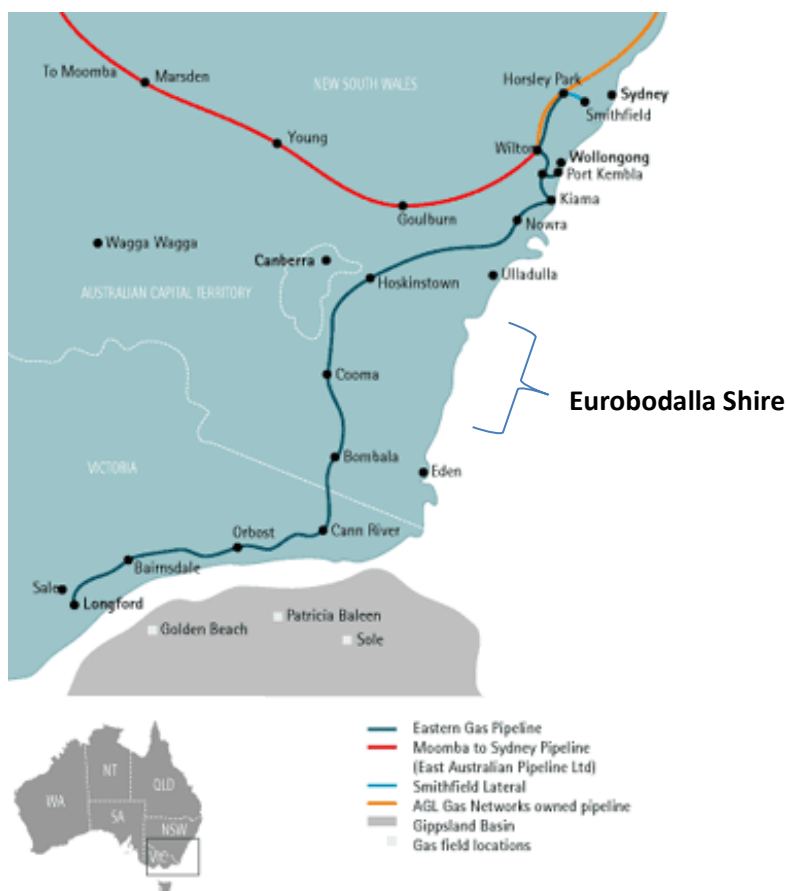
Energy infrastructure and supply such as for heating and cooking need to cater for peak demand.

Forecasts suggest that the number of households in the Eurobodalla will increase from 15,672 in 2006 to 22,316 in 2031.

### NEAREST GAS DISTRIBUTION

The Eastern Gas Pipeline currently transports gas from the Gippsland Basin in Victoria to markets in Sydney and regional centres along the route. Gas is supplied to towns of Orbost, Cann River, Bombala, Cooma and Nowra. Currently missing out on natural gas are the ten or so main towns in Bega Valley, Eurobodalla and up to Ulladulla. Containing close to 80,000 residents, these swell to 3 times the population in peak times.

Projected population growth in these towns would add another 13,000 permanent residents to the region.



## **DISTRIBUTION PLANNING**

Planning for future distribution networks should emphasise the predicted population growth and the National Seachange Taskforce data which indicates that Eurobodalla's average population is significantly higher than Census data indicates.

## **ECONOMIC BENEFITS TO EUROBODALLA**

In terms of socio-economic standing, Eurobodalla has low Socio-Economic Indexes for Areas (SEIFA) and is amongst the lowest socio-economic areas in NSW. This is mostly due to a high proportion of fixed income earners, retirees and unemployed people.

There is a substantial economic benefit in converting to natural gas for domestic household's heating and cooking requirements. The cost effective savings of natural gas to bottled gas and cost difference of natural gas as opposed to wood or electric heating would be welcome savings to Eurobodalla households.

Mains gas would be a much cheaper, more efficient source of energy with electricity being almost 3 times more expensive per unit of energy than gas. Natural Gas, as the cleanest of the fossil fuels, can be used in many ways to reduce emissions of pollutants into the atmosphere and can help mitigate environmental issues.

Electricity produces almost 6 times the greenhouse gas emissions per unit of energy compared to mains gas. Furthermore there would be the long term economic benefits of attracting new businesses and creating new jobs in industries using natural gas as a primary energy source or in natural gas related industries.

Natural gas is affordable, clean-burning and benefits the economy. It's a natural ally to renewables like wind and solar. And its supply is diverse, which enhances energy security.

Businesses that would benefit greatly from the introduction of natural gas include the hundreds of restaurants, and clubs and pubs, hospitals and aged care facilities, food processors such as abattoirs and dairy factories, high schools and TAFE colleges.

Neighbouring shires have high energy commercial users such as Bega Cheese and South East Fibre Export wood processing plant and Manildra Flour Mill to the north. In addition, there has been expressions of interest for a gas fired power station to the south of Eurobodalla.

## **MEASURES TO ENCOURAGE GAS NETWORK OPERATORS TO EXTEND NETWORKS**

Recognising the challenges in delivering a natural gas pipeline to the Far South East Coast of NSW, councils are extremely interested in investigating the potential for possible measures to encourage gas network operators to extend existing distribution networks.

Eurobodalla Shire Council has a proactive Economic Development Team with the expertise to engage community and business and would actively assist in the promotion of Natural Gas as an alternative to current energy supplies.

## **CLOSING COMMENT**

For the reasons outlined above, Eurobodalla Shire Council supports the extension of downstream gas availability to this area and requests that the committee recommends an investigation into its feasibility.